

Illinois Department of Agriculture – Medical Cannabis Pilot Program

Frequently Asked Questions

8-8-14

Who will be administering the registration for the program?

The Department of Agriculture will be awarding up to 22 permits to grow and cultivate.

The Department of Financial and Professional Regulation will be issuing up to 60 permits to dispense.

The Department of Public Health will be in charge of the patient and caregiver registry.

Where can I get a copy of the Act?

You find the Compassionate Use of Medical Cannabis Pilot Program Act (410 ILCS 130, the “Act”) on the Illinois General Assembly’s website at:

<http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=3503&ChapterID=35>.

Is it currently legal to grow medical cannabis in Illinois?

No. It is not legal at this time for anyone within the State of Illinois to be growing cannabis for any purpose. Only licensed cultivation centers will be allowed to grow cannabis under Illinois law. Growing cannabis for any purpose is still illegal under federal law.

Can I put my name on a list of individuals interested in growing cannabis?

No.

Will I be able to grow cannabis at home when the program is implemented?

No, unlike some other states, the Compassionate Use of Medical Cannabis Pilot Program Act (“the Act”) does not permit home-grow of cannabis. Only a registered cultivation center will be allowed to grow medical cannabis.

I would like to apply for a Cultivation Center permit. How do I proceed?

Once available, the application will be posted on the [Department of Agriculture’s website](http://agr.state.il.us) (agr.state.il.us) and the [Medical Cannabis Pilot Program’s website](http://mcpp.illinois.gov) (mcpp.illinois.gov). Please read the administrative rules to familiarize yourself with the program components and check with Medical Cannabis Pilot Program website for additional application instructions.

What are the fees associated with applying for a cultivation permit?

\$25,000 nonrefundable application fee for a cultivation permit. If issued a cultivation center permit,

\$200,000 permit fee for the first year, \$100,000 annually thereafter.

All other fees can be found in Administrative Rules Section 1000.140.

How can I pay my application fee?

Certified Check or Money Order payable to the Illinois Department of Agriculture.

How will the Department make sure that the applications are reviewed fairly and impartially?

Department of Agriculture will have a review committee in place, considering de-identified applications on a merit based system that is detailed in the Department’s Administrative Rules and in the Application materials.

How soon will the Department issue award permits?

Timing on the permit selection will greatly depend on the amount of applications the Department receives.

I was told that the application document would be posted online 30 days prior to the application window opening, but have heard the window might have changed to 15 days prior to the application window opening?

The application will be posted online prior to the Department accepting applications. We anticipate accepting cultivation center applications from September 8 through September 22, 2014. Once the application submission window begins, the Department will allow 14 days for applicants to submit all required materials.

Will an applicant need to have firm funding commitments that will be effective post-licensure? Will those types of agreements be viewed as compliant with application requirements or does all funding need to be held in an escrow account?

Section 1000.40 (1) (B) in the Department of Agriculture's rules states the applicant has 15 business days after being awarded a permit to provide a copy of the \$2,000,000 bond to the Department of Agriculture. They must demonstrate the ability to do so in their application.

Can a company applying for more than one cultivation license use the same research plan for both licenses, or should there be a separate research plan for each license?

The Department does not have a position on what level of information an applicant chooses to include in their application. It is the applicant's responsibility to provide the best possible application for review.

I have 20 acres of property to be used for a cultivation center, could I split off 5 acres of that and use it and build a separate building and place a dispensary on that parcel next to the cultivation center?

Section 1000.220 of the Department of Agriculture's rules states a cultivation center and dispensary are required to be at least 1,000 feet apart. However, Section 1000.70 allows for a variance from this rule when certain requirements in the rule are met.

What if no qualified applicant applies in an ISP district, will the Department re-open the application phase?

Yes.

Will the Department notify applicants when their application is denied?

Yes. The Department of Agriculture will send notification to the applicants who are denied.

Will the Department allow applicants to apply for ISP District 15 if we believe we located a plot of land on the Illinois Tollway that would work?

Applications to operate a cultivation center in ISP District 15 will be evaluated the same as applications for all other districts.

Do the rules address where initial seeds/clones can come from?

No.

Can a cultivation center sell excess cannabis to other cultivation centers?

No. Cultivation centers can only sell cannabis products to dispensaries.

Can cultivation centers sell compost made from waste cannabis?

No. All cannabis waste must be rendered unusable and transported to a solid waste facility for final disposition. Please see section 1000.460 in the Department of Agriculture's rules for more information.

Can I operate a Cultivation Center and a Dispensary Organization?

Yes. An applicant may have ownership in up to three (3) cultivation centers and five (5) dispensaries. For further information please see Section 1000.40 (d) in the Department of Agriculture's rules, and Section 1290.40 (13) in the Department Financial and Professional Regulation's rules.

Will we need to use a specific IT vendor or system?

The administrative rules state the cultivation centers will need to use an inventory system that is compatible with the system the state procures. The state has not yet selected a vendor for product tracking purposes.

Will we need to use a specific security vendor/system?

No. The administrative rules do not require a cultivation center to use a specific security vendor or system. It will be the responsibility of the cultivation center to have the best security possible for their business.

I am applying for more than one cultivation center permit. Do I need to provide verification of \$500,000 liquid assets and \$2,000,000 in bond or escrow for each application?

Yes. The financial requirements were developed to provide proof of financial responsibility for the operation of a single Cultivation Center. Each Center is looked at as a unique entity and therefore the funds would need to be verified and available for each center.

I am having trouble securing a surety bond. Does the Department of Agriculture have a list of institutions that will issue surety bonds for \$2,000,000?

There is a list of institutions licensed with the State of Illinois to issue surety bonds posted on the Program's website. However, each institution has discretion as to whether to issue a surety bond to cultivation centers.

The definition of "area zoned residential" is an area zoned "exclusively residential." If the local municipality provides a letter that its zoning districts located within 2500 feet of a cultivation center are not zoned "exclusively" residential because in addition to residential uses, the zoning districts allow for other uses such as churches, parks, schools, utility substations, and/or other planned uses including commercial uses, will that satisfy this requirement?

Yes, but the applicant must verify setback regulations are also met, located in Department of Agriculture Administrative Rules section 1000.40(e). The Department will rely heavily on the local zoning authority's approval.

If a town only has one area that meets the zoning and setback requirements for a cultivation center can they wait until the permits are issued and lease the land to the company with a permit?

Yes. The zoning authority will need to provide written verification the property meets the requirements of the Act and rules with the application.

Can our zoning be in process when we submit an application?

Yes. The application will include a zoning form where the applicant can provide verification of completed zoning or a statement from the local zoning authority stating the zoning is in process.

Will the state allow the “variances” rules to be used for the 2,500 foot distance?

No. The 2,500 foot distance is mandatory based on Section 105 of the Medical Cannabis Pilot Program Act.

Do I need a zoning approval letter in my application?

You will need to provide verification of zoning approval or a statement provided in the application from the local zoning authority verifying the zoning process is underway and the property meets all requirements set forth in the act and rules.

How does the Department of Agriculture approve a testing laboratory?

A laboratory wishing to test medical cannabis will apply with the Department and provide verification they are accredited by a private laboratory accrediting organization. Applications will be posted on this website when they are available.

Will the Department have its own lab? How many private independent labs will there be?

Yes, the Department of Agriculture will have a lab to test samples of cannabis collected at cultivation centers. Private independent labs wishing to test cannabis can apply with the Department of Agriculture when forms are available. For more information on Laboratory testing and requirements please see the Department of Agriculture Administrative Rules, section 1000.500.

Will veterans receive a preference in the permit selection process?

Bonus Points are available for organizations that employ or are owned by Veterans. 1000.110 (c)(1) (b) and 1000.110 (c) (7)

Your Administrative Rules say the Illinois State Police (“ISP”) needs to review all security plans before application submission. Is this necessary?

The applicant must submit their security plan with their application. The Department will work with ISP to make sure a full security review is completed.

I want to add more security than your rules say is mandatory. Will I receive fewer points on the application if I go beyond the rules?

No. The rules serve as a broad outline of the program and its features. It is up to the applicant to be innovative and provide the best business and security plan possible in the application process. Applicants are encouraged to exceed the minimum requirements where possible.

How will Cannabis be transported from Cultivation Centers to Dispensary Organizations?

Each Cultivation Center will hire Cultivation Center Agents, subject to background checks, to transport cannabis from the Cultivation Center to the dispensaries. Each Cultivation Center will provide the Department of Agriculture with a transportation plan that adheres to the rules located in section 1000.430

A product has to be packaged from cultivation center to dispensary, does this mean that it has to be maintained in that package or can it be repackaged at the dispensary?

All products must be packaged and labeled before transport to a dispensary. Please refer to the Department of Financial and Professional Regulation's administrative rules regarding product handling.

“All applicant's principal officers and producer backers expressly agree to be subject to service of process in Illinois with a current Illinois address on file with the Department”. Does this mean the cultivation center must be located in Illinois as well as all officers and backers?

Cultivation centers will be permitted based on Illinois Police District and need to be physically located in the District they are permitted to grow in. Owners and backers do not need to live in the state of Illinois.

If a physician commits to giving up his or her license to practice in the State of Illinois, can we include him in our application?

The Act defines "Physician" as a doctor of medicine or doctor of osteopathy licensed under the Medical Practice Act of 1987 to practice medicine and who has a controlled substances license under Article III of the Illinois Controlled Substances Act. Therefore, if the individual is NOT licensed under the Medical Practice Act of 1987 to practice medicine, then he/she can be included in the application.

In the definition of “usable cannabis,” it mentions that the roots and stocks are unusable. There are many studies linking the juicing of cannabis roots and stocks. If a cultivation center were to juice the stocks and roots is that admissible under these rules?

This would be an example of a cannabis-infused product which may be produced under the Act and rules.